COMMITTEE AGENDA TOPICS

I. Subject: Out of School Time

Action: The Committee will continue its discussion of the City's Out of School Time RFP process, with action requested on establishing a per agency maximum funding cap. Staff will also be available to answer any questions regarding the RFP document and process. If the Committee is ready; staff will seek a referral to Council for consideration of funding changes at the November 26th Council Business Meeting.

II. Subject: High Growth Entrepreneur Strategy

Action: As part of a broader discussion on a high growth entrepreneur strategy, staff will provide information related to the request for the City's financial participation in the Charlotte Regional Foundation for Entrepreneurship (CRFE). Staff will share the proposed structure of the CRFE advisory board and the suggested criteria for evaluating grant requests from the CRFE, as developed by the Charlotte Entrepreneur Alliance. If the Committee is ready, staff will seek a referral to Council for consideration at the November 12th Council Business Meeting.

III. Subject: Carolina Theatre

Action: In preparation for a November 15 Committee discussion on the potential sale of the Carolina Theatre, staff will seek direction from the Committee on any information desired from either CMP Carolina Theatre, LLC or the Foundation for the Carolinas. No action required.

COMMITTEE INFORMATION

Present: James Mitchell, Patrick Cannon, Warren Cooksey, David Howard and LaWana Mayfield
Time: Noon – 1:45 p.m.

ATTACHMENTS

1. Out of School Time Update on October 4th & 18th ED Committee Meetings
2. Out of School Time Funding Process Improvements
3. Draft High Growth Entrepreneur Strategy
4. Charlotte Regional Foundation for Entrepreneurship Support Letter
5. Theater Presentation Slides
6. CMP Carolina Theatre LLC Carolina Theatre Proposal
7. Foundation for the Carolinas Carolina Theatre Proposal
8. ARK Group Carolina Theatre Letter of Interest

DISCUSSION HIGHLIGHTS

Chairman Mitchell opened the meeting and asked everyone to introduce themselves. We have three items scheduled for our discussion today, Out of School Time RFP; High Growth Entrepreneur Strategy, better known as the Cooksey Amendment and Carolina Theatre, and that is why we have an expert on City Council, Patsy Kinsey, here to give us some guidance. I will turn it over to Mr. Kimble and let him introduce the items.

Kimble: Thank you Mr. Chairman, members of the Economic Development Committee and guests. Three items, number one Out of School Time. You have asked for additional information. Remember that there are a set of Budget Committee recommendations and then there will be a set of Economic Development Committee recommendations. If you are ready today after reviewing the information to make a recommendation to Council, it would go in tandem with the Budget Committee's on November 26th. We can start out with that one today and Mr. Tom Warshauer will be glad to review the information that is in your package and see what questions you might have and if you are indeed ready to move forward with a recommendation.

Mayfield: Tom, I have a question for you for something that had come up that I realized after the debate I forgot to ask. That gap we had talked about with moving forward extending the program, is there going to be a problem for the current programs for that gap between that month and a half or two months?

Warshauer: That is next summer's program.

Mayfield: Have you heard from the stakeholders if that is going to cause any financial gap or strain for them with the fact that we are talking about extending and changing our budget cycle?

Warshauer: We talked to the providers around their contracts and about amending the contracts enabling that to happen and it does cause some stress to them and they need to figure out how they are going to manage it this coming summer's funding gap.

Mayfield: In our discussions, we haven't talked about any way since we are changing the calendar year. Is there any possibility to discuss a way to help offset that summer gap?

Warshauer: The thing that we are doing that would enable them in a small way to help is to allow them to charge fees for appearance. They can also amend that kind of numbers that are served and we are trying to do that early enough that people can seek additional funding and we are certainly available to help people if they are going after additional funding to maintain the same level of service for the coming summer.

Mayfield: Was there any concern with the stakeholders if they identify what those financial dollars might look like? I'm wondering if this is going to cause a hardship for any of the organizations because of that summer gap for funding.

Warshauer: I don't know that anyone would say that it doesn't have some impact in their ability to deliver services next summer, but some of them are able to do more and some are able to do less. A couple of them did not do any summer services last summer so they are able to use those funds they saved from last summer to provide services in the coming summer. We have no additional funds that we can put towards that and people generally understand the need to be able to move the funding cycle to September so that they have more information about how their programs would work. It is desirable to move it and I believe everyone acknowledges that it is a good thing for us to move the cycle. Unfortunately, we don't have any funds we can put toward mitigating those but in working with them we hope we can continue the services over the summer.

Cannon: I fielded to some of those same calls and I think what it is going to end up coming down to is going to be a budget call at some point in my opinion and those entities are going to have to probably put together what will be a request to the body for any additional funding that they might be able to find if this is to proceed like it is currently being suggested. Would you concur with that Mr. Mumford or Mr. Kimble?

Kimble: I think it would have to be discussed at Council level when the Budget Committee recommendations and the ED Committee recommendations go there because that is more a budget question and that was the referral to them, to the Budget Committee.

Howard: Do you know how much the total effect would be on the agencies that had summer programs?

Warshauer: We do. It is approximately $80,000 additional dollars.

Howard: So that is the totality of everybody needing summer programs. Part of the conversation I haven't necessarily agreed with was this scale down and the amount of money that each agency gets, 66%, 50% and then 33%. The 66% actually happens in the next budget year or the budget year after that?

Warshauer: This coming budget year so it would be a part of this RFP.

Howard: There should be some savings from this past year. Not necessarily savings because they could ramp their program up. If they did it at current level, there should be some money somewhere.

Warshauer: It could be if the same providers are the only ones that are there. Remember we have many more providers in the funding, so if we open an RFP process, we are likely to have much more come in than what we are currently funding.

Howard: Then you could actually fund more people?

Warshauer: More people, more programs, fund different programs. We are looking in the RFP process to fund the best programs in the City. The six that are currently being funded may or may not have any funds available to them next year, depending on their success in the RFP process.

Howard: What I'm thinking and if it is bad thinking tell me. Maybe in this first year while we are transitioning because I've had this sensitivity to this transition time. Maybe the people that have traditionally done summer programs get first crack at whatever savings are left before we add somebody else. Maybe the ones who have summer programs get a little bit more latitude this first time in this cut down, maybe they are allowed to do more than 66% of their funding for one year while we transition. Am I making sense?

Warshauer: The Budget Committee's recommendation was that we hold the City's contribution at $590,000, which is the highest the City has ever used Pay-As-You-Go money for Out of School Time and that the total amount that would be available for next year would depend on our CDBG allocation.

Last year, that would come to $1.24 million so we were capping that. Last year you added additional funding so we actually funded $1.6 million. We are already starting at a much lower level of funding available in the RFP process for the Out of School Time providers than what was provided to them last year.

Howard: Am I missing something? If everybody did it at the same level, there were some savings as opposed to adding another provider this coming year, maybe we accommodate this summer issue this one time as we transition is what I'm saying.

Mumford: I hear what you are saying. If the number of providers and the actual providers stay consistent then there would be savings going into the RFP process. It depends on how people score in that process. There may be some that are currently funded that fall out altogether.

Howard: If they fall out, they fall out. What I'm saying as a Councilmember before I would vote to add a new provider, I would support a program giving that $89,000 to get through the summer while we transition to this new budget cycle.

Mumford: That is a conversation the Budget Committee has had and we are trying to be really clear on the Budget Committee role and this Committee's role. They made the recommendation for 66 down to the 33 over that period of time.

Howard: You can tell the Budget Committee that at least one Councilmember said how I feel about it and I get to vote on the final vote.

Kimble: You will get to say that at Council.

Cannon: Our charge has been to deal strictly with dealing with the RFP process and molding and shaping that to present to the larger body and we get into the numbers side of it all. I want you to be able to cut me off if I'm getting in too deep with that. I want to make sure that I'm staying in my lane.

Kimble: Expressing your opinion here is fine, but taking a vote to change the Budget Committee's recommendation would not be a good idea. You can do that at the full Council when you consider the items.

Cannon: I have budgetary questions, I really do.

Kimble: This is the dilemma you face when a particular item has been sent to two different Committees and try to keep in tack the charge that has been given to each of the two Committees. You are doing a very good job and we just need to wait for all of these to go to Council and that is where you are going to have the final debate about what the end product looks like.

Mitchell: Let me just make a little editorial because I've got to apologize to my colleague Mr. Cannon because he brought this to my attention last week that we were impacting a program and I guess in my mind I thought our funds carried everyone through to the end of June.

Warshauer: The initial funding took us to the end of the academic year, so it took us to whatever programs ended in May. Traditionally, we awarded the same contracts to people so traditionally you would have your recommendation and that would fund the summer programs in the new budget year. The new programs for next summer would come in new contracts. When you are doing an RFP process and bringing in new people and really impacting their budgets substantially, you are making that award almost retroactively is what we have been doing. We actually enter into a contract in July that covers the summer but it has been the same ones and everyone sort of floats the money and they do their summer program. Going forward that really isn't a particularly good idea for us to be doing that. It is hard for people to ramp up if they are a new provider that is doing a new summer program and they don't know for sure what their money is until July 1; it is hard for them to retroactively start a program. It is not fair to the other providers if they are going to have their funding cut not to know so beginning the funding cycle with a September start is a really better idea when you are doing an RFP so that people have some time to either ramp up their program or ramp down their program.

Mitchell: The only dilemma you have is our current funding will stop in May or June and the new money would not be issue until September so those who have summer programs, that 90-day gap, you all identified is about $80,000. Which agency has a summer program?

Jackson: PAL and CMS were the only ones that did not have a summer program.

Mitchell: PAL and CMS did not?

Mitchell: So Bethlehem Center has a summer program. Greater Enrichment, YWCA and St. Paul. Thank you staff for clarifying that. I know you shared with me the impact and I didn't understand the impact and now I clearly understand the summer program.

Mayfield: I think the question came about because we've had numerous conversations on the ED Committee, but unfortunately the Budget Committee isn't coming back together so sitting on both of them, I'm thinking about questions that I should have asked in Budget that didn't occur to me at the time. The fact that we are looking at creating a two-month gap; I'm just trying to make sure that everyone is aware moving forward of some of the concerns that we have.

Kimble: The minutes that we will take for this meeting and the previous meeting will be reflected and will be available as the Council would then discuss that topic and discuss the specifics.

Mitchell: Just for clarification, the $80,000 gap for all four programs?

Warshauer: Yes.

Mayfield: That included which ones?

Mitchell: Bethlehem Center, Greater Enrichment, St. Paul and YWCA.

Cannon: That is not $80,000 each, that is $80,000 total.

Warshauer: Let me remind you where you are. The Budget Committee recommended a $590,000 cap from the City's Innovative Housing Fund for Out of School Time, which means that the approximate amount of funding that we anticipate for next year, would be $1.2 million. The Budget Committee also recommended that we go to a 66% of the agency's budget next year and a 33% the following year, but any new programs that came in would be at 33% of maximum of the agency's budget that we would fund. They were transitioning it down from 66% to 33% for programs that we are funding this year, but any new program that might come in the maximum that we would award would be 33% of their total budget. The third thing that they recommended was that we allow agencies to charge a nominal fee which we are doing. To recap for you the things that you all recommended last time is that we maintain the same eligibility requirements in the RFP that we had before with the exception that we allow programs to apply that have operated for three years, with one year in Charlotte. They would have to be in existence for one year in Charlotte but they could have been in existence outside of Charlotte managing their program for three years. They have to be in existence for three years total for all new programs. We are not funding a start-up program that is brand new that doesn't have any track record, we are funding programs that have track records and they have to already been submitted to being in Charlotte for at least one year before they are eligible to apply for funding from us. You also recommended that we conduct site visits and revise some of our priorities in the RFP, which we provided a copy for you and that we convene a group of some volunteers to participate in the review process. The third recommendation you had was that we continue to utilize the Housing Trust Fund Model for the allocation of funds. Those are the things that you voted on last time. The one thing that was left that we hadn't come to conclusion on was whether you wanted to have an agency cap. You asked me to provide you with some additional information which is on the first table. The percentage of funding that comes of the agencies now in terms of their budget and the number of students that were served. We also wanted to show you some examples of the other requests so you would see the extent of the requests that may come in the new RFP process. What we are hearing from our responders was that they wanted to know the total amount of money that was available, how they were going to be graded and what kind of funds they could apply for so they could adjust their proposals accordingly. That was some of the information we provided you in the first table's app so what we are looking for from you on this first table is whether or not you would like to do a per agency cap.

Just to follow up on the next two components, you asked about the site visits. You wanted to know more about opportunities to visit the sites so we surveyed the existing six providers and we have the name of the provider, their main program contact and their site address with the Council District so you will know what district each one of the sites are in and who their teachers are and their program hours. If they have events that are coming up that you might be interested in and they have settled on those events, we have listed those events for you as well. There are some who haven't really summed up some of the events so they have no scheduled events, but that doesn't mean they won't have any. They will let us know and they will be inviting you to events as time goes on and those events are scheduled. If you do want to take a look at the sites, drop in and visit, these are their site addresses, Council Districts, program hours and program coordinators on those sites. One thing that those five pages of additional information shows you is there are a lot of different sites, there are a lot of different people that are engaged and we have some very active programs that are doing a lot of work in our community. That was one thing that we were delighted to be able to share with you.

On the last page, you asked us for some additional work on how we were going to define nominal fees so we provided you the definition that we will be using around fees and it comes from the 20th Century Community Learning Center from the U.S. Department of Education on how they take a look at making sure their programs are accessible. What we will be doing is including that in our RFP so people will be evaluating on accessibility and fee schedule. The only thing that we are asking is if you are okay with the information that I provided and the answers to questions on pages two and three. What we are looking for is if you want to have any additional discussion around an agency cap today and if you did, we will be able to answer related to that.

Mitchell: This is great in-depth information we needed and personally I feel very connected now to all of the After School Providers because you gave us the name, the school, the districts and the telephone numbers. Committee, any discussion about question one on the cap?

Cannon: Are you able to give us the pros and cons if we do provide such a cap?

Warshauer: The cons of not providing a cap is the possibility that there may be some agencies, because we are using the Housing Trust Fund model, so the highest agency would receive its entire allocation and there are some agencies that could apply for more money based on the funding that we have now, using the Housing Trust Fund model. They might apply for additional funds that they had not applied for previously and there could be new agencies that could come in and apply for more money. You are sort of doing an all or nothing for agencies. You might be awarding one or two agencies all of the money. If you provide a cap, you are assured that you are awarding more agencies and spreading the money throughout different kinds of programs and more different communities in terms of providing the funding. That is the advantage so what you've seen in here is something like the Y for instance, based on their current funding, they could actually request more money under this formula than they have requested in the past. The new programs that are coming in could also and these are just some examples, but there are other programs that could come in and ask for more funds. So providing a per agency cap might provide you an opportunity, depending on what people's requests are, to make sure you are funding more programs.

Cannon: Obviously being able to spread the wealth is much better than being able to accommodate one or two so whatever that might mean in terms of where we may fall as a Committee on agreeing to something like that is something that I am more than open to.

Howard: Explain to me why this is not a Budget Committee issue and it is our Committee? How are you guys deciding which goes where? We are really deciding it should be as many as possible, but they would decide the cap or we would decide the cap.

Kimble: We would say this is more a process of the RFP than it is a total budgetary allocation. They are looking more at the total budgetary allocation. You are looking at this kind of inside the RFP process.

Howard: In all respect, they are saying how much each agency should do too?

Kimble: We agree that there is overlay and that is the danger that we knew we would run, but I think you are making observations about each of the recommendations in Budget and Economic

Development appropriately so, given opinions. I think it is all going to get resolved at the Council level where you are going to have more of that discussion and debate before you give your final vote. We would say this falls more within the RFP process. That is why it is in ED Committee and not in Budget.

Kinsey: How are we going to reconcile that at the Council level? I don't quite understand it and I'm on Budget. Right now, I'm not sure.

Kimble: What we will do is lay out each one of the recommendations in each of the Committees and you can vote on those separately instead of voting on the entire package. You may have four issues coming out of here, the one year in Charlotte; three years anywhere to qualify for the RFP, to conduct site visits, revise the RFP and volunteers to help you assist. Some of these are probably – everybody agrees with them, but there may be debate on each one of them. There are a couple that I think you are going to have a healthy debate. Cap per agency may be one that you have a very healthy debate among all 12 elected officials, including the Mayor.

Kinsey: Try to explain to me because if I don't quite understand it, I'm sure whether or not either of these Committees will understand it. How do you mesh those two?

Kimble: In the write-up of the Request for Council Action we will put the individual bullet points of each of the Committee's recommendations so you will see the recommendations separately in the write-up in the body and then you can take each one of those recommendations separately and debate them. That is how; I don't know any other way.

Kinsey: I heard that but I think it is very confusing.

Kimble: It is messy and we will agree with you that it is messy whenever you refer a topic and pieces of it to two different Committees.

Mitchell: Let's take the charge and the question Mr. Cannon started to discuss about the cap. Are we comfortable having a cap where we can serve more providers and particularly more youth? What was the cap we had earlier, $400,000?

Warshauer: We had talked about something between $300,000 and $400,000. When we had our meeting and used the Larry King Center to help us facilitate some of our discussions and we had a meeting with our providers, they preferred the $400,000 the higher end. They understand $300,000 so it could go anywhere you would like it.

Mitchell: Committee, what is your pleasure?

Howard: When you go all the way down to 33%, it really affects no one, right? We are talking about two things. We are talking about not more than and we are talking about a cap. I was wondering just the feedback from the one or two providers that it would even affect. Greater Enrichment is the only one that comes close, so what kind of feedback did we get from the agency?

Warshauer: What we heard from the agencies was that they understand what they have applied for in the past may not be what they apply for this coming year so they could change their allocations because we hadn't explained to them what the allocation process was going to be like. Their apps could be different, and you are right, the budget they have based on 66 and 33 will limit but there are a couple of them that it doesn't limit so they could ask for more money than they have asked for previously. People generally understood that there was some desirability in that, but if you are an agency just receiving more money; you probably prefer to be able to continue to receive it.

Howard: The reason I was asking it would seem like to me, at least Greater Enrichment, it is a double whammy if you will. I was trying to figure out which one mattered to them the most because you are saying they wanted 33% and then you are putting a cap on it. I'm okay with it.

Cannon: Considering the fact that they are still going to be evaluated, I believe by our criteria that would suggest where they probably should fall in respect to the actual need versus the want per se and what we are able to help them with. My thought is that we would set the cap at $400,000 because there will still be controls in place. That is not necessarily suggesting, and I guess I should say up to $400,000 because that wouldn't necessarily suggest that they would actually get that amount, but they would be able to if they met certain criteria.

VOTE: Motion was made by Mr. Cannon and seconded by Ms. Mayfield to set a per agency maximum funding cap at $400,000, with an amendment to come back in two years to review the program. The vote was unanimous.

Howard: I think it would be worth coming back and if we could add to our recommendations that we come back in a year or two to see where all the changes and what the effect has been on the quality of the programs and the number of children served.

Cannon: I will accept that as a sunset.

Kimble: One or two years?

Howard: Two years.

Cannon: I'll accept two years.

Mitchell: The motion made by Mr. Cannon to up a cap up to $400,000 with a friendly amendment accepted by Mr. Cannon in two years we will come back and review the program.

Mitchell: To all the providers that are here, thank you for the work you do. It is not easy and I don't think you all get enough credit for what you do.

II. High Growth Entrepreneur Strategy

Mitchell: The next topic is the Warren Cooksey Amendment and I say that in a very affectionate way to Warren because if it wasn't for his passion about entrepreneurship, I don't think we would be here.

Staff, you all have really picked up the ball and done a great job, but thanks to Warren for moving this forward.

Richardson: Let me point you to an attachment in your packet. You've seen this several times before, entitled Supporting Entrepreneurs and High Growth Enterprises. I will remind the Committee that if you are ready, we are seeking a vote in action today to recommend this strategy to Council on November 12th.

VOTE: Motion was made by Mr. Cannon, seconded by Mr. Cooksey to refer the High Growth Entrepreneur Strategy to Council for consideration at their November 12th Council Business Meeting. The vote was unanimous.

Cooksey: Brad, what has changed since we last saw this?

Richardson: We deferred action two weeks ago to let us spend two weeks trying to figure out the answer to two questions, one is what will be the board makeup of the Charlotte Regional Foundation for Entrepreneurism and Mr. Cooksey had a question about how the City's crown might be incorporated into the logo. Let me answer both of those and I'll set the context. This is one part of a five part strategy and this is the only one you have not given verbal consent to. Once you get comfortable with where we are on this funding arrangement, we think you've got enough information to send it to full Council. Let's talk first about the governance of the fund. The request has come for a $500,000 Community Challenge Grant to be made to the Foundation for the Carolinas for the purposes of supporting the High Growth Enterprise Entrepreneurial Eco System. That is a mouth full, but it really means just organizations that support and grow high growth enterprises as defined on the first page of the document. It can also be used for research, events, promotions and that kind of thing so the point I'm making is this money that you would approve would not be used for equity investments in the companies.

Governance – held by the Foundation for the Carolinas, Paul Solitario, Dan Roselli, who are in the audience today along with Natasha Warren, who talked about what would be the best practice for make-up with the Foundation and with what is called Charlotte Entrepreneurial Alliance, they have come down and recommended the following:

- Fund Advisory Council made up of a member of City Council, appointed by the Mayor, a member of City staff appointed by the City Manager, four representatives from major donors, four representatives from the entrepreneurial community and a regional economic developer in the region.

Howard: I thought we said we wanted to avoid putting a member of Council on. Is that a member of Council representative?

Richardson: A member of Council to be appointed by the Mayor.

Howard: Didn't we talk about something not having a member of Council on?

Mitchell: That was another because we wanted Cooksey.

Richardson: The final point I will make is any member, and we talked about conflict of interest. That was a big point I wanted to make so any member of the Board, particularly from the representatives of the entrepreneurial community, will not seek grants from the fund. That is one of the things we wanted to bring back to you to get you comfortable with. There was a question about this board being really connected to the issues of the community so the group is recommending what is called a Technical Review Panel. Those are made up of the organizations that may seek funding and we wanted to get as close as we could to the ground, those who know the issues and problems of the community. So they are the Technical Review Panel set up of the local entrepreneurial organizations that will review grant applications to the fund and advise the Advisory Council that I just talked about. One other change in this line you ought to know about is that we are proposing that a portion of our $500,000 matching grant be used to prioritize some of the needs in the community. One of the things we found and I think we've got agreement from most around the table that entrepreneurialism means a lot of different things and involves a lot of different organizations. What we lack today perhaps is a clear prioritization of what activity should the fund work toward in improving our community. The Foundation for the Carolinas who will be receiving your grant has also agreed to match our match up to $20,000 to fund a 60-day/90-day. In other words, not a long term, but a short term window of time to really get folks in the room to prioritize the needs in the community to help the Advisory Council make decisions about grant funding. We make that as a best practice in this case to inform you of what we would do with funding.

To Mr. Cooksey's question about how can the City's crown be incorporated into the logo, the issue as I recall was when this is out in the community being presented, how can we let the entrepreneurial community and the world know that the City of Charlotte has capitalized this fund at such a level. The answer is this; the corporate logo by policy can't be attached and incorporated into another logo. However, there is a lot of flexibility with regard to tagline such as CRFE, a partnership with the City of Charlotte, funded by the City of Charlotte. You get the picture, corporate crown is not part of the logo and that would be against our graphic design and Corporate Communication's policies that you've probably adopted at some point in the past, but we want to work with you Mr. Cooksey if he is your representative of the board would be involved in the decisions about how to incorporate the logo with a tagline.

Mitchell: If they do a banquet, can you have our City of Charlotte and their logo on the same piece of paper?

Richardson: Yes, in the actual design of the logo, using that graphic to embed the crown within, but certainly they could appear side by side.

Cooksey: The intent of the question and the intent today is not to solve that issue, it was simply was to go ahead and get ahead of it before Council took some final action and have a sense of where to go.

Howard: Did the Charlotte Jewel organization incorporate our logo in their logo?

Cooksey: The COP took that out and they were correctly informed that they could not. They first drafted that in there but it is no longer. They have a different crown now.

Mitchell: I don't want to tie the Mayor's hands, but I would like if the Committee is comfortable, to make a recommendation that Warren Cooksey serve as the appointee for City Council. I'm sensitive to the Mayor's appointees, but I just think from a continuity standpoint, Warren has been out there and worked and there is a tremendous respect of everyone in the community with entrepreneurs and would hate to lose that as we move forward. Committee, if you all are okay with that, would someone make the recommendation to include that?

Cannon: I will include it as part of my motion and Cooksey seconded it.

Mitchell: Everyone in favor of Mr. Cannon's recommendation, let it be known by saying I. The vote was recorded as unanimous.

Kimble: This will be on the November 12th Council Agenda for action.

Cannon: Ron, when we were in New York, one of the things we had an opportunity to do was to go to Brooklyn and observe what one entity was doing in the way of help they were providing to entrepreneurs. One of the things they happen to have was a clearing house, particularly for those persons who were in start-up businesses or already existing businesses to be able to call upon to say I'm in the market for someone who has a background in purchasing or another related field. That is something that we don't have in the way of best practice here. I'm not exactly certain what we can do about that, but it seemed to work very, very well for that market place and could very well help here because I always have a lot of folks calling to ask where they can find different people, but for trying to put an ad in the newspaper somewhere. If you have any thoughts about that, I'd be interested in us taking a look at that kind of thing at some point in the future, just to kind of study what they have and see how we might be able to tweak that such that it fits Charlotte. Is that possible?

Kimble: Why don't we go back with a contact to Corporate, get their model and take a look at it and see what it is exactly and how it might fit.

Cannon: It is a great tool and it is awesome what they are doing and they are state-funded by the way.

Kimble: They kind of get what they want in New York City because of who they are.

Mitchell: I would love to see that information and read up on it since I wasn't privileged enough to join the trip.

III. Carolina Theatre

Mitchell: Ms. Kinsey, I do not want you to be very quiet on this. We appreciate your expertise.

Kinsey: Thank you, I appreciate that.

Kimble: Many of you went on the tour and I think that was beneficial to those who went. This is an update today, no decision today, come back on the 15th of November with additional information and I'll let Brad kind of walk you through the additional information and you know that we've received one more purchase offer and we wouldn't call that a proposal and the Committee is going to have to give us some direction on what you would like for us to do with that.

Richardson: There are three goals for a ten-minute discussion. It will probably be a little bit longer, but we've got plenty of time. I want to sort of inform or remind the Committee where we are today and options for disposing of public property. I want to have the underpinning secure before we go down any further.

I want to talk about historic renovation versus historic restoration. We've got a couple slides that Peter will walk you through to illustrate and I think that will be helpful. I want to have you discuss, as Ron mentioned, the … offer from our group. Noah Lazes is in the room as well. Finally, just all of that will help us get prepared for a November 15th meeting we'd planned a longer discussion that day. First of all, you toured the theatre to dispose of the asset and I'll give you the three options that our City Attorney's Office has shared with us to remind you of. We've got a couple options. One is to sell the theatre through an upset bid process with no conditions at all. That is sort of maximizing revenue. We don't care what happens to the theatre, we just sell it for the highest price through an upset bid process.

The second option is an upset bid process with conditions to preserve the theatre. Probably get less money for it in this context, but that is another option. The one that we have been working with is the third option which is a negotiated private sale for a demonstrated public benefit or public purpose. We discount the land; we need to show by State Statute a public purpose that allowed us to do that.

Cannon: What would be the big difference between that and two where you would have a condition where you could still almost tweak it today?

Richardson: The condition sets up a formal upset bid process where you establish a price and there is a certain amount of time and a percentage increase required to upset the bid. It is a formal process, I don't want to say less formal, but it is a little bit of a different nuance when you negotiate with a private offer for a public purpose. The public purpose in this case, just to be clear, and we've tested this at several levels; it is community development through preservation of an old building. You noticed I didn't say the word "historic" in there so it is important, preservation of an old building is a public purpose. It doesn't prescribe that it has to be restored to any certain level and that is where we want you to discuss among yourselves at some point. Now that you have seen inside of the building and seen the site, do you want to require a certain level of restoration? You certainly can as a local governing board.

Howard: That was a question I had a couple meetings ago and I'm not sure because I don't feel educated enough to say what those different levels are. Going up that continuum are there different levels and who is the expert on those?

Richardson: That is the second point, so that is the first thing I wanted to accomplish. Three options – you are currently going down path #3 for a public purpose which is restoration of the building and

you can set standards. To your question, you can establish what you want the building to look like in the end. You sell with a condition that the building be restored to a certain level. We are like you and this is where I have Peter stand up and begin to walk you through a couple slides that demonstrate what we mean. I mentioned historic restoration versus historic renovation. Those are my words and are not really … say the difference. We would propose if you'd like to go do some research in the next couple of weeks with a person like Dan Morrill, Historic Landmarks Commission to understand what level of restoration might be achievable, might meet the local historic preservation guidelines and it might qualify for a Certificate of appropriateness.

Cannon: That may or may not be a good or bad idea. What concerns me is that if we utilize someone with this level of expertise, which is good expertise, I can hear someone else asking for a second opinion, potentially saying can we get another play on this or create some other balance because sometimes some things can be a little bit more extreme in the way of what we get back. Then sometimes it may be a little bit more conservative opinion we might like so I just don't know if that gets us to where we need to be and what I don't want to do is string this thing out for a very long time and that is what I could foresee happening through a process like that. How long has this been on the block, two years Meg says for the record, but longer than that?

Richardson: We agree that we don't think this lengthens out the time. What we would illustrate to you we think there is a way to renovate the theatre if you desire a period 1920s, 1930s without a complete restoration and we talked about this when we toured the theatre. What types of new technology and building materials and processes could replicate the look without spending the kinds of money and that is why we cued up some slides if you are interested, to show you an example of a 1920s building.

Cannon: That would be awesome. The one thing that I would be comfortable with is still knowing there is someone in the market and I believe there is probably someone in the marketplace that would be up for wanting to go in and acquire the facility to build it out. The one thing we don't want to do is shun any interest away at all. If what we are about to see is in your opinion is something that would help to not take us over the edge, but still keep us on, I'm interested in maybe taking a look at that.

Howard: My feeling is a little different. The only reason we even have this conversation at all is because the theatre is there and if preserving the theatre to some level is not the first thing then why do we even bother with it. That should be the first thing going back towards getting money because if not, why even bother with the building. I know we've got to balance and I'm not saying balance I'm just saying the first priority would have to be the building as that is the only reason why we are sitting here. That is why I keep wondering who. I don't want to prolong it either, but I don't want to turn around in a year and hate that we didn't spend a little bit more time on detail either because it is a really cool building. Again, maybe we should just go through the slides, but I do continue to wonder who decides what restoration level it is. If it is not a local person, it should be somebody that helps us understand what is possible.

Cannon: I think you are right. I don't think we are far away at all in terms of where we are on this matter, listening to you speak. In as much as we have the Dan Morrill's of the world, we have some people here I think locally that have been engaged in these types of ventures who could give us that kind of feedback that I think you are talking about to get us to that level of preservation and still that

level of private sector engagement to bring about any other opportunities that might present themselves. I think we ought to welcome those people to the table to kind of parlay off of the Dan Morrill of the world if that makes any sense.

Mumford: There is an economic component to this. If somebody wants to come in and do a period restoration and put a lot of money into the building then they are going to ask themselves, "How I am going to get paid back for that". What is the use of the building that generates the revenue to offset the expenditure? You can go from an adaptive reuse, much like The Mills. The Mills were originally built for mill work and now they are going to be apartments. It preserves the building but it changes the use of the building to allow some revenue to come in to offset the expenditure. That is one starting point, adaptive reuse all the way up to period full restoration and the discussion that we would like for you all to have is going to give us direction really on use, its public purpose, what is that proposed use because that determines the revenue that can come from the use of the building. It is a little bit different than just going to Dan Morrill to talk about short preservation all by itself. I think you have to really look at the economic component too.

Richardson: With that maybe this will help and I'll ask Peter to move here and talk about an example that might help.

Zeiler: What I would like to do is take you through a project that was done in Detroit, Michigan that represents what really can be done with a Certificate of Appropriateness as established by the Secretary of Interior. A little bit of background, the Secretary of Interior has established standards for historic rehabilitation and in order to get federal tax credits, you must meet those standards and the way you are certified as meeting those standards is usually the local Landmarks Commission, in connection with the State Historic Preservation Office issue what is called a Certificate of Appropriateness. That does give you a fair amount of wiggle room within the federal guidelines standards that says you don't have to do an exact paint brush by paint brush restoration of exactly how the project was originally. This does give you latitude for interpretation and what I want to do is take you through a series of three slides, one that shows a ballroom as it was originally configured, what it looked like after it had been abandoned for 30 years and then what was issue a Certificate of Appropriateness and allowed this project to get close to about $45 million in historic tax credits. This can give you a sense that if we go for the Secretary of Interior Certificate of Appropriateness gives you an idea of what kind of restoration you could expect.

Mitchell: Those historic tax credits, is that at the federal level?

Zeiler: There are state and federal historic tax credits that can work in conjunction with each other.

Mitchell: Do we know how much is at the State level and how much they allocate?

Zeiler: I don't think there is an allocation but there is a, I believe, 15% for state tax credits; 15% of eligible costs so typically your construction costs.

Mitchell: Is the federal level the same?

Zeiler: The federal level is 20%. This is the Book Cadillac Hotel built in 1924 and there are four elements I want to take you through quickly that illustrate what happens. First of all take a look at the ceiling. You will notice that the ceiling has the square, the sort of rectangle with two circles in it. It has been silver- leafed. That is what this dark color is up here. You will notice down the sides there are these really complex geometric patterns and if you look at this trim work here, it is full of medallions and filigree and all sorts of stuff. Then you look down here at the floor, oak parquet. If you look over here at the columns, you will notice there are four different elements. There are mirrors that have pane effect to them; there is this cladding on the column that sits here with this filigree up top. There is an element that has sort of a draping garment effect and then you have all this work around the side. You will also notice the fourth element, there are these Juliet baloneys. Each one of these Juliet baloneys has a hallway behind it and can seat six people so you can come at your dinner table and watch all the folks doing their little ballroom dancing down below. The ceiling, the columns, the floor and then the Juliet baloneys.

Mitchell: There is a request from the Committee to do a site visit.

Zeiler: This was actually the tallest hotel in the world when it was built in 1924 and after 30 years of being abandoned and water penetration, you can see that the ceiling has completely collapsed down to the floor. You can see the Juliet baloneys are still in place, folks have stripped out all of the columns and this is what the ballroom looks like today. Now notice it doesn't look exactly the same and what happens is when you have this level of degradation, the Secretary of Interior standards and the local folks giving you a Certificate of Appropriateness allow you and your designers to be flexible. So you will notice the ceiling has not been silver-leafed, you will notice you still have the two circles and the rectangle, but all that complex geometric stuff is gone. You've been allowed to put in recessed lighting; you don't have the same level of filigree. Notice you didn't have to reinstall an oak parquet floor; you can go with a carpeted floor which tends to be a little bit quieter and up to modern markets. Remember that the columns were fairly complex.

Mayfield: What is this facility being used for now?

Zeiler: This is a conference and banquet facility. This is the main ballroom and a restored the hotel.

Mayfield: It is still the original space and the original square footage they started with, whereas what we are talking about there has been partial construction so we don't' have the same original square footage that we were looking at? Would that be a factor if we were to look at that funding since we are not looking at the original square footage?

Zeiler: Because it is already missing it would not factor into any tax credits that would happen. Typically your locals, the State Historic Preservation Office and the Secretary of Interior understand when things have been modified, so the fact that the back end of the building has been sliced off may impact whether you can get a national historic designation, but it wouldn't impact a Certificate of Appropriateness.

Kinsey: The theatre itself is intact. The back that was sliced off was not part of the film theatre. The room that we see now is basically the same and the balcony.

Zeiler: In this example, the ballrooms are in their original locations; lobbies have been moved to different floors. There has been an addition added to the building that has a swimming pool and a parking deck so those sorts of things are allowable and still can get you a historic tax credit. To quickly wrap up, you will notice other things like, remember we had fairly complicated columns; they are now just replaced with some simple trims. The wall sconce and contrasting paint. Even the Juliet balconies are still in place, but if you look carefully, there is a wall right behind here. These have been closed off for access. You can't sit in them, you can't use them but they are still there as part of the main design element. As part of the reconfiguration of the building, they needed to reconfigure or build a new hallway to allow people to access a new kitchen. As part of the reconfiguration as you were talking about what happened to portions of the building that are missing, you can still reconfigure the public space inside as long as you are doing some of these historic elements here. While it looks the same and has the same feel, this sort of flexibility allowed the developer to come in and say what level of trend can I get to you, what level of decoration can I get to you that will replicate the feel without having to be well this plaster cast has to be replicated a hundred times so all of this up here is actually painted PVC. When you watch something like "This Old House" where they have machined down plastics or fiberglass to replicate wood because it is less expensive and much faster to go up, the same sort of treatment here on the side.

Richardson: You heard a couple of things, certified on a National Historic Register. We don't think the theatre could achieve that or we wouldn't recommend that as a requirement because it is very expensive, but we did identify that there is something called a Certificate of Appropriateness and that is the purpose of doing this. There is flexibility within that designation and that is why we suggest if you like us to go down that path, if you care or are concerned about the period restoration, that is a way to get there and get some direction to the purchaser.

Mitchell: Do we have the total cost to do this?

Zeiler: The entire project, and keep in mind it was 590,000 square feet, over 1,100 hotel rooms so it is bigger than the uptown Westin and included a parking deck and an addition. The entire project was about $195 million. Given the scope and the scale that number is not out of control, but I don't know what the price was for individual rooms.

Mitchell: Thanks Peter and I will say this and David kind of brought it home on the tour that he can remember actually going to the movies at the Carolina Theatre. I never will forget what Patsy told me one time, she said I'm sick and tired of tearing down things in Charlotte and not keeping our history and this really has a lot of historic significance to a lot of us in the City of Charlotte.

Kinsey: This is the only theatre left uptown. I have told some of you all this but I have been involved with historic preservation/restoration since the late 60s and I've been involved with a lot of buildings and have taken a lot of courses. I've studied with the late Bob Stiles who did all of the preservation legislation for North Carolina and much of what was done around the country. I know a little bit about this. I'm not an architect so I'm not certified for any of that. I would hope that whoever wins the Carolina Theatre that they would work with an architect who has some experience with this. I am old, but I do not remember when this theatre was built so it does outdate me. I guess I say that to say that I'm very hopeful that the theatre will be restored. Much of it is preserved already, but taking it back to 1926 is not of great interest to me because I never saw in 1926 except through pictures. I

personally don't care for this and I don't think it looks like the original at all. I would hope that we would put enough conditions in whatever agreement that we make that would allow or encourage the new owner to treat it with historical respect and use it in an appropriate manner. It was a performance place so it had live music when it was first built and of course it was converted to film. I think the acoustics in there are very good, structurally it is sound, no leaking roof, so I think it would be very adaptable to those kinds of uses in the future in addition to I guess whatever the new owner would wish to use it for. I have told anybody that has been interested in the theatre that I just simply can't support something that doesn't honor the architectural history of the theatre. I understand that you don't have to go back and put plaster up, I totally understand that. I guess the tiny bit of experience I have working with architects has taught me that but there is an awful lot there and I don't know if you all have gotten any e-mails or phone calls, but I'm getting phone calls from out of state encouraging us to move ahead with this so there is a lot of enthusiasm out there. I'm excited because an awful lot of people have been working on this a long time.

Howard: Patsy, from your expertise, is there a level beyond? What did you call this, this is restored to period?

Richardson: A period restoration acceptable by a local Historic Landmarks Commission and certified.

Howard: Peter that is what this was, certified the period?

Zeiler: Yes, receive a Certificate of Appropriateness even though it wasn't the piece by piece detail by detail.

Howard: What is the next level up? Is there anything between this and total restoration, or is that just negotiated?

Zeiler: The way it works the Secretary of Interior has established the standards and gives you a certain amount of leeway and that is the minimum threshold. This developer could have it, they wanted to go beyond but there is no certification. There is no additional bonus for doing that so what you are looking for is the Certificate of Appropriateness. It is the base threshold for what is acceptable to the local Commission and State Commission if you are going for a state tax credit and to the federal level if you are going for a federal tax credit.

Howard: Do we have any pictures of the Carolina Theatre? What I'm trying to get at is, for instance, is where the balconies used to be. That molding is still over the top? Who decides if that is in good condition or not? I don't know if I just want to come back one day and the developer says well we decided to take that down, it was too hard and we just went back with this. It would be nice to have an assessment of at least what we think it could be restored. That is what I've been trying to ask. If it is not Dan Morrill, then who is it that tells us you ought to be able to do that and not leave it to expect us to put it in writing? Do the best you can and then we see what that is when it is done.

Kinsey: I've got information. I told you all to go in my office and use my Carolina Theatre book anytime you wanted to and nobody took me up on it. There are some suggestions in there. They are not recent, but there is an organization, the Theatre Preservation Society that had all of that work done.

Howard: It is almost like we need to know before because in our agreement to sell, you've got to spell that out so we don't sue each other over what the spirit and what our thoughts were.

Kinsey: If you look at this, you might be able to get an idea of that, I don't know.

Zeiler: The Charlotte-Mecklenburg Historic Landmarks Commission would use the Secretary of Interior's standards to do an assessment of the building and kind of give feedback to any potential developer on what they would find acceptable and not acceptable to issue a Certificate of Appropriateness. Because it is a locally designated building, they would be the legal authority that says yes you've done some amount of this, that is acceptable to us and we yes you have done enough to consider this a historic renovation.

Cooksey: Since we are talking about a theatre, I will look at it this way. The entire world is a stage, the men and women in it are players and we have our entrances and our exits and our line to say. I think my line to say on this entire topic is like several people in the room, even before I was on Council when I was just sitting in on Council meetings and seeing proposals for this come and I've seen them go and I don't feel the frustration as deeply as Ms. Kinsey. Where I'm going with this is having seen so many ideas come and go on this, whatever we do, however we go forward, whatever conditions we put on it, let us at least learn a lesson from recent history and please give all potential purchasers far more than enough time to investigate every aspect so that once a sale closes, we don't see them again until they beamingly invite us to the ribbon cutting.

Kinsey: I think that would be unanimous, but going back to what Peter said. I understand what you are saying, but that is minimum and I would like for us to go beyond. I think whoever buys it will want to get those tax credits and I would absolutely support that, but I don't know and some of it may be discussions ahead of time.

Mitchell: Let me make a suggestion Committee and we are all on the same page. Patsy did offer for us to look at her book and I will need to take you up on that before November 15th. Peter and staff, can you call give us a copy of the Secretary of Interior standards?

Zeiler: Secretary of Interior Guidelines for Historic Restoration Standards.

Mitchell: If you can give us that, I think it would be helpful for us to at least get familiar with the language. Is it that big? How many pages is it?

Zeiler: It is thick.

Kinsey: I don't think you want a copy of that.

Mitchell: I guess all of it pertaining to the standards for historic, of Certificate of Appropriateness.

Zeiler: The Certificate of Appropriateness is when it is used to certify that you have met the Secretary of Interior's standards.

Howard: They need to negotiate with Patsy as far as I'm concerned. I was trying to figure out if there is another level going up to continual; you've done one of these.

Mumford: Yes, but I'm not going down that path. We could get a consultant; there are people that are trained to do preservation and architectural reconstruction all the time. We could get somebody, but we will have to search and see who the appropriate groups are to give us minimum middle ground maximum preservation. What are the costs associated with that, what does that look like because today none of us are trained in that depth to respond adequately to the question. There would be some costs to that and we don't know what that is today, we'll have to research it. If you would like us to do that, we can come back with people that have the capability to give us good information.

Howard: It is way too early to ask this, but any idea of what that adds to the process as far as time?

Mumford: I don't know. We are not asking somebody to come in and do a full set of construction documents, we are asking somebody to come in assess the building that understands that volume of language on the Secretary of Interior and then do the rest of the analysis, giving us options and general cost for that.

Kinsey: Has any thought been given to getting anybody here from Durham? They redid the Carolina Theatre there. Greensboro has redone theirs. I know that Durham originally used Hardy Holsman, but they are a New York firm and they are now split. I don't know who they went to after that and I don't know who did Greensboro, but maybe a phone call would help and there might be somebody a little closer. I have some information that somebody just sent me recently that I'm happy to share their consultant, but they are not from around here.

Kimble: We have two weeks until November 15th. We could make some initial inquiries and bring back the results of those inquiries at your November 15th meeting.

Cannon: I will conclude with this piece and I thought Mr. Cooksey was about to say it, but I want to go where Patsy is suggesting. What I don't want to do is over ask where in the past we've tried to engage and we heard time and time again for whatever reason certain people couldn't make the numbers work, taking you back down a path that you don't want to go back down Mr. Mumford. We have sort of been there and done that. I want the ask to be made, but I think the ask should be made within reason as to what a developer can produce with as much that can be kept and/or preserved/restored as best we can make that happen. I think doing otherwise or asking otherwise probably keeps it on our hands for another ten, 20, 30 or 40 years, but again as far as we can push the envelope, let's do that where it is not going to make business sense for it to happen. Let's be conscious of that as well.

Richardson: We've gotten direction from you on doing some local research in the state about historic theatres and some other ways of explaining. The third thing I want to talk about is we are operating under a Council referral to the Committee to evaluate two proposals that were received in the spring of last year. As you know, we have now received a third letter of interest and a purchase offer from the ARK Group. We sent that out to you earlier this week and we needed some direction from you on how you would like to address that third offer.

Mitchell: In my mind, we were operating as if there was a deadline that was issued in May for an RFP and you all corrected me because there never was a deadline but there was a proposal the Foundation wanted to submit to us. I got a call last week that the ARK Group has submitted a proposal and that is what is in front of us today, dated October 24th from Noah Lazes. Committee, we've got to give staff direction. Do we allow them to go back to Noah and then submit a formal proposal to us and then with a deadline come back to us November 15th.

Howard: I want to ask the City Attorney's advice on how we deal with this. It seems to be a fairness issue in there somewhere that if we start saying we will add this one that stops us from having somebody else before we should have just stopped and done some type of process. Where are we in the legal world?

Schleunes: I think the answer isn't really a legal one. You have within in your purview the ability to do it in any one of the suggested ways that Brad articulated earlier. What you do have which is a little bit unique, you have the ability to do a negotiated private sale and gain. It is your decision whether or not you choose to go down that path. The fairness issue is one you probably want to discuss, but it is not one that impacts your legal authority to take the action you want to take with respect to the property.

Howard: Which one of those three processes do we consider ourselves to be in right now, which is the negotiated one?

Richardson: We are not doing an upset bid process formerly; we are doing a negotiated private sale.

Howard: It feels like an upset bid process to me. To me negotiated #3 says that you are working with one person. Does that legally mean that you could work with two or three people to figure that out or should you have done just an upset bid process, or a negotiated upset bid process? Can #3 be negotiated with three or four people?

Richardson: I think the answer is yes, you could negotiate with as many entities. From a logistical standpoint, you make a good point. You may have other offers made within the next two weeks or longer, but that is just part of the negotiation process.

Kinsey: I just want to make sure I understand. If we ask for a formal proposal from Noah, would that trigger the upset bid process? I didn't hear you say that just then.

Richardson: That is what I'm saying.

Kinsey: I just wanted to make sure I was clear on that.

Howard: And you agree with Brad, the Attorney?

Mitchell: I see no problem; Noah presented more of a formal sales negotiation. I think it is only fair that if we want to get his proposal, what he will actually do and bring that back to us just so we can compare apples to apples. The other two entities have really given us a proposal.

Howard: Then the question to me would be office building or not, if it is just entertainment. Is it zoned for that already? All those other things that would come into play. I think from what I read it is more fully entertainment. I'm just asking for things to be answered if that is the route we go. I don't know if I'm against it. I kind of had my mind made up on the other two so this just kind of throws a wrinkle into it.

Richardson: It is zoned UMUD so it can be entertainment only, entertainment mixed-used. I don't think Mr. Lazes' proposal speculated that it would be purely entertainment only. I think it was a market rate bill so I think what you see in front of you is his offer and the difference between an offer and a proposal. You will recall that both the Foundation and CMP Carolina presented a proposal that talked about not only what they would pay for, but they got fairly specific, given some conditions about the market on the final use of the property. I presented that to you at your request and both of those parties were available in the room to take questions so perhaps if you are going down that path, that may be a solution to keep it equitable is that Mr. Lazes would work with us to submit a proposal for use, what the end use might be and he would present that to you on the November 15th and he would be available to take questions. We also plan to have the other two proposers attend the November 15th meeting based upon the directions you give us today.

Howard: Really what I'm asking is that neither one of the uses that I heard before had a strong entertainment component; at least I didn't feel like it did. I think Zoning generally takes into account its effect on its neighbors. I told Mr. Lazes walking in, I went over during the media party during the DNC and it is incredible what he has done over there at the Music Factory and I had no idea. There is some really nice entertainment going on and I'm saying in my mind music and the vibration with the building beside it and just taking into consideration how all of that works together if it is an entertainment facility. The Foundation has a lot of art and that kind of stuff, vibration means a lot in those old buildings, what it would mean, if that is what you are talking about. It may be just a restaurant, I don't know but the entertainment thing adds another … if that is what the primary use of that facility would become.

Richardson: That is what we would propose that the use of the site, not just the theatre, but the full site. I heard that was Mr. Mitchell's suggestion.

Cannon: One of the things I would probably want to get some clarity on, we have been talking about a non-profit piece of all of this on the staging and all of that with the theatre. We do, I think, need to be conscious of if there is a for-profit side to this. The one thing we don't want to have is the City be on the hook for the non-profit side, particularly if that does happen. What is going on throughout the country, you see a lot of these have been done over and they've been sort of non-profit and if this is to be for-profit, we need to make sure we get some level of understanding through the process of what it is going to be. I think that has some sort of play off of how it is going to be utilized because there has to be an appetite for a person interested in the accusation to be able to enjoy a bottom line that is going to be in the positive and not the negative. In terms of an RFP versus dealing with one individual, if a person or an entity decides to submit something to us they can do so, but we can counter offer with conditions, or put into a process of a bundle. I'm sort of flexible either way and I'm not opposed to either one of those.

Kimble: Normally I would absolutely agree and each one of these proposals you are going to get to evaluate the strength of either the for-profit or the strength of the non-profit entity, and you have a very strong non-profit entity who has demonstrated past performance and you have one for-profit who has demonstrated before and you've kind of got another one who has had the property for seven or eight years and so you get to evaluate all of that as a Council when you decide who you want to negotiate the private sector.

Cannon: It is a different animal, I agree.

Mitchell: Staff, the only thing I want to say is I want us to be very clear about that. If we know anybody out there who has a remote chance of wanting to submit a proposal, let's herd them in now and let them know November 15th we want to see all of the proposals. What I don't want to do is we get down the road on November 15th and then we have someone from Durham or Greensboro say we would like to do it too. I know it is tough on you guys and I don't know how we communicate that but it would be nice that on November 15th we can have everybody's proposal here.

Kinsey: I was going to suggest a deadline.

Kimble: We know the proposals of the two that have come in and it is kind of an all-in and I would ask Mr. Lazes if this is a pure private venture or is there any public/private participation and partnership that they are thinking about and if they are they have to put that on the table now also.

Mitchell: Noah, thank you for being here and we will allow you when you make your proposal to do the Q&A to be fair to you because we did the same thing for Foundations for the Carolinas and CMP Carolina Theatre LLC. We will allow you that conversation on November 15th here at noon.

Kinsey: Thank you for letting me be here, I've been the thorn in the flesh I know.

Kimble: She is our artistic entrepreneur.

Mitchell: Staff, we have the questions about this meeting effort. Committee, the staff is going to send those to us in a memo and we will put it on our agenda for November 15th to have the full discussion because I think you had a piece about why some of the Good Faith Effort things want to go away. Mr. Cannon had some questions. Brad, do you want to send out the memo on Friday?

Richardson: Absolutely, we will have it in your packet tomorrow and I would question whether we would have time on the 15th to do a deep dive. We will provide you tomorrow the justification document that you asked for about the 11 GFEs. Our next time before you with a large block of time is the following meeting on December 6th so I would recommend if it is okay with you to give you the information tomorrow, tackle the Carolina Theatre and maybe one or two other items and then on December 6th dive deep into the SBO Program.

Mitchell: Angela sent these to me. Do you remember the dates for the SBO town hall meetings? I know these folks are going to get busy in December.

Richardson: We just confirmed those and we will send them out to your calendars if Robin does not have them, but it is two days prior to your first meeting in December, which is December 4th in the morning and December 5th in the evening.

Mitchell: Committee, do you hear that? December 4th from 9:00a.m. to noon and December 5th from 6:00p.m. to 8:00p.m. and that is the public forum to talk about our new program.

Richardson: That is for interested business owners or prime contractors to learn more about the program. You are not required by the way.

Mitchell: You need to be there on the 4th from 9:00a.m. to noon and on the 5th from 6:00p.m. to 8:00p.m.

Cooksey: I will not be in attendance at the November 15th meeting. I've got a League of Municipalities Board meeting that day and the day after.

Mitchell: We have an issue on the 15th with Councilmember Cooksey and Councilmember Howard. He is traveling and will not be back here by noon.

Cooksey: I probably won't be back in Charlotte until the 19th. It is in Emerald Isle and I have family at the coast so I may as well take advantage of that.

Mitchell: Do we have a Council Meeting on the 19th?

Kimble: Yes, Zoning.

Mitchell: Can we do November 19th at noon?

Kimble: We will tentatively set that and check the other Committee calendars.

Mitchell: I want to do it that Monday because Thanksgiving is that Thursday and people will need that Wednesday so I'm scared to go to the 20th or 21st.

Kimble: It will be on November 19th at noon unless you hear differently from us.

Mitchell: Because of the work schedule, can we do 11:30a.m. on November 19th?

Cooksey: There is an Environment Committee that day at 3:00p.m. so we know that there is one meeting already.

Kimble: Okay, 11:30a.m. on the 19th unless you hear otherwise.

Adjourned: 1:45p.m.

Economic Development Council Committee
November 1, 2012 at Noon
Room CH-14

Committee Members: James Mitchell, Chair
Patrick Cannon, Vice Chair
Warren Cooksey
David Howard
LaWana Mayfield

Staff Resource: Ron Kimble, Deputy City Manager

AGENDA

I. OUT OF SCHOOL TIME RFP – 30 minutes

Staff: Tom Warshauer, Neighborhood & Business Services

Action: The Committee will continue its discussion of the City's Out of School Time RFP process, with action requested on establishing a per agency maximum funding cap. Staff will also be available to answer any questions regarding the RFP document and process. If the Committee is ready, staff will seek a referral to Council for consideration of funding changes at the November 26th Council Business Meeting.

II. HIGH GROWTH ENTREPRENEUR STRATEGY – 30 minutes

Staff: Brad Richardson, Neighborhood & Business Services

Action: As part of a broader discussion on a high growth entrepreneur strategy, staff will provide information related to the request for the City's financial participation in the Charlotte Regional Foundation for Entrepreneurship (CRFE). Staff will share the proposed structure of the CRFE advisory board and the suggested criteria for evaluating grant requests from the CRFE, as developed by the Charlotte Entrepreneur Alliance. If the Committee is ready, staff will seek a referral to Council for consideration at the November 12th Council Business Meeting.

III. CAROLINA THEATRE – 10 minutes

Staff: Brad Richardson, Neighborhood & Business Services

Action: In preparation for a November 15 Committee discussion on the potential sale of the Carolina Theatre, staff will seek direction from the Committee on any information desired from either CMP Carolina Theatre, LLC or the Foundation for the Carolinas. No action required.

IV. NEXT MEETING DATE: November 15, 2012 at Noon, Room CH-14

Tentative Schedule:

- Carolina Theatre
- Business Investment Program Revisions
- CityPark Infrastructure Reimbursement Agreement

Distribution: Mayor/City Council Curt Walton, City Manager Leadership Team Executive Team

Economic Development Committee Meeting
November 1, 2012
Update on Questions from October 4 and 18, 2012 Economic Development Committee Meetings

1. The following table summarizes information requested at the October 18, 2012 Economic Development Committee meeting, including the percentage of program budget funded by City and the number of students served. Also included are examples of potential requests from providers not currently funded.

Currently Funded Programs	FY13 Program Budget	FY13 Current City Funding	% of Budget is City funding	# Students Served	FY14 Max based on 66% of Program Budget	Max based on 50% of Program Budget	Max based on 33% of Program Budget
Bethlehem Center	351,546	170,357	48%	100	232,020	175,773	116,010
CMS ASEP	14,960,621	350,012	2%	150	9,874,010	7,480,311	4,937,005
Greater Enrichment Program	865,192	605,854	70%	345	571,027	432,596	285,513
Police Activities League	404,145	282,145	69%	165	266,736	202,073	133,368
St. Paul Baptist Church - Belmont Site	70,476	70,476	100%	48	46,514	35,238	23,257
YWCA	951,568	158,826	16%	265	628,035	475,784	314,017
TOTAL	**17,603,548**	**1,637,670**		**1,073**	**11,618,342**	**8,801,775**	**5,809,17**
Examples of Potential FY14 Requests	**FY13 Program Budget**	**FY13 Requested**	**% of Budget Requested from City**	**# Students Served**	**FY14 Max based on 33% of Program Budget**		**FY 15 Max based on 33% of Program Budget**
Building Educated Leaders for Life (BELL)	816,755	816,755	100%	240	269,529		269,529
First Baptist Church-West Community Services Association	435,000	66,320	15%	155	143,550		143,550
Smart Start Early Childhood Learning and Development Center	312,940	312,940	100%	100	103,270		103,270
TOTAL	**1,564,695**	**1,196,015**		**495**	**516,349**		**516,349**

2. The following information summarizes the Committee's request to be made aware of the Out of School Time Financial Partners' locations, program hours, Council districts and upcoming events.

Program: Bethlehem Center

Program Director: Tamisha Williams, 704-641-0326

Site Name	Site Address	Lead Teacher	Contact #	Program Hours	Council District
Bethlehem Center - School Age	2705 Baltimore Ave.	Dearrine Morrow	704-299-8745	2:00–6:00 PM Mon-Fri	3
Southside - School Age	2617 Baltimore Ave.	Shanetra Holliday	704-441-1199	2:00–6:00 PM Mon-Fri	3
Teen Program	2711 Norfolk Ave.	Dearrine Morrow Shanetra Holliday	704-299-8745 704-441-1199	5:30–8:30 PM Mon–Thurs	3

Event	Date/Time	Location	Audience
Thanksgiving - Turkey Handouts	Nov. 19 8:30-6:00 PM	2705 Baltimore Ave.	Out of School Time Program Families
After School Thanksgiving Celebration	Nov. 20 4:30-5:30 PM	2705 Baltimore Ave.	Out of School Time Program Families

Program: CMS ASEP
Program Director: Colette Jeffries, 980-343-5570

Site Name	Site Address	Site Coordinator	Contact #	Program Hours	Council District
Albermarle Road Elem.	7800 Riding Trail Rd.	Ms. Toney Froneberger	980-343-6414	2:45-6:00 PM Mon-Fri	5
Druid Hills Elem.	2801 Lucena St.	Vanessa Coffey	980-343-5515	2:45-6:00 PM Mon-Fri	1
Hidden Valley Elem.	5100 Snow White Ln.	Celina Thompson	980-343-6810	2:45-6:00 PM Mon-Fri	4
Pinewood Elem.	805 Seneca Place	LaShell Laughlin	980-343-0593	2:45-6:00 PM Mon-Fri	6
Ranson Middle	5850 Statesville Rd.	Wanda Williams	980-343-6800 ext. 257	3:00-6:00 PM Mon-Fri	2
Sedgefield Elem.	715 Hartford Ave.	Ms. Baseemah Azim	980-343-5826	2:45-6:00 PM Mon-Fri	1
Sedgefield Middle	2700 Dorchester Pl.	LaTanya Johnson	980-343-5840	4:00–6:00 PM Mon-Fri	1
Winterfield Elem.	3100 Winterfield Pl.	Annie Fiadjigbe	980-343-6400	2:00-6:00 PM Mon-Fri	5

Event	Date/Time	Location(s)	Audience
Harvey Gantt Center	Nov. 16, 4PM	Sedgefield Middle	Students
Community Service	Nov. 21	Sedgefield Middle	Students

Program: Greater Enrichment Program
Program Director: Bronica Glover, 704-334-8518

Site Name	Site Address	Site Coordinator	Contact #	Program Hours	Council District
Ashley Park Elem. School	2401 Belfast Dr.	Tangella Stephen	704-334-8518	3:15-6:30 PM Mon-Fri	3
Bruns Elem. School	501 S. Bruns Ave.	Phillip Jackman	704-334-8518	3:15-6:30 PM Mon-Fri	2
Merry Oaks Elem. School	3508 Draper Ave.	Denise Rice	704-334-8518	3:15-6:30 PM Mon-Fri	1

Event
No Scheduled Events

Program: Police Activities League

Program Director: Jeff Hood, 704-400-6035

Site Name	Site Address	Site Coordinator	Contact #	Program Hours	Council District
Bette Rae Rec. Center	2921 Tuckaseegee Rd.	Brandi Hunter	704-449-0946	2:30 – 7:00 PM Mon-Fri	3
Greenville Center	1330 Spring St.	Carole Bennett	704-777-7136	2:30 – 7:00 PM Mon-Fri	2
Memorial United Methodist Church	4012 Central Ave.	Rosa Caldera	704-449-0789	2:30 – 7:00 PM Mon–Fri	5

Event	Date/Time	Location(s)	Audience
Coat Drive – Community Service Project	Oct. 29, 2012	All Sites	Community
Election Day – Youth Election	Nov. 6, 5PM – 6PM	All Sites	Youth
Feeding The Homeless – Community Service Project	Dec. 29, 3PM – 7PM	Greenville Center	Youth and Parents
African Drumming	Every - Mon. Every - Wed. Every - Fri. 5PM – 6PM	Bette Rae Rec. Ctr. Memorial United Greenville Center	Youth
Photojournalism Basic's	Thursdays, 4:30-6:30 PM	Memorial United Methodist Church	10 years +
Mentoring & Leadership	Mondays, 6-8PM	Greenville Center	11-17 Year old males

Program: St. Paul Baptist Church
Program Director: Vincent Alexander, 704-334-4573

Site Name	Site Address	Site Coordinator	Contact #	Program Hours	Council District
Belmont Site	1401 N. Allen St.	Vincent Alexander	704-334-4573	3-6 PM	1
Event					
No Scheduled Events					

Program: YWCA
Program Director: Kathy Vinson, 704-525-5770

Site Name	Site Address	Site Coordinator	Contact #	Program Hours	Council District
Amay James Rec. Center	2425 Lester St.	Monique Martin	704-525-5770 ext. 218	2:30–6:30 PM Mon–Fri	3
Leafcrest Apartments	6513 Leafcrest Ln.	Toyette Ford	704-552-9293	2:30–6:30 PM Mon–Fri	6
Park Road YWCA	3420 Park Rd.	Altacie Stitt	704-525-5770 ext. 252	2:30–6:30 PM Mon–Fri	1
Southside Apartments	435 Fairwood Ave.	Shauntavia Stafford	704-332-1622	2:30–6:30 PM Mon–Fri	3
Sugaw Creek Rec. Center	943 W. Sugar Creek Rd.	Ayesha Wilson	704-494-7040	2:30–6:30 PM Mon–Fri	1
Sunridge Apartments	4005 Sunridge Ln.	Mary Lowery	704-532-2244	2:30–6:30 PM Mon–Fri	5
Tuckaseegee Rec. Center	4820 Tuckaseegee Rd.	Christina Bellamy	704-393-4017	2:30–6:30 PM Mon–Fri	3
West Charlotte Rec. Center	2400 Kendall Dr.	Katidra Withers	704-405-3193	2:30–6:30 PM Mon–Fri	2
Event					
No Scheduled Events					

3. The Committee requested staff research best practices to define "nominal fees" for out of school time services.

Staff proposes to incorporate into the RFP participant fee recommendations following guidance from the United States Department of Education, administrator of the 21st Century Community Learning Center Grant. This grant represents the country's largest pool of out of school time funds for academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools.

> "Programs must be equally accessible to all students targeted for services, regardless of their ability to pay. Programs that charge fees may not prohibit any family from participating due to their financial situation. Programs must offer a sliding scale of fees and scholarships for those who cannot afford the program. Income collected from fees must be used to fund program activities specified in the grant application."

Programs would be required to provide documentation of their fee schedule, which would be evaluated as a part of the RFP scoring.

Meeting Overview

On October 17th 2012, approximately 13 people representing 10 organizations attended a meeting to provide feedback on proposed revisions to the City of Charlotte's out-of-school time (OST) funding process. This was the second meeting in a three-part process to engage OST providers and stakeholders in crafting funding process improvements. The meeting was facilitated by Charlotte Neighborhood and Business Services staff and was attended by providers who had submitted an OST funding proposal in March 2012. Larry King Center staff attended the meeting and took notes.

Current financial partners also met prior to this meeting to discuss the specific recommendations of the Budget and Economic Development Committees regarding OST funding. City staff communicated that additional recommendations would be made at the October 18th meeting of the Economic Development Committee and all recommendations would be considered by City Council on November 12th.

Summary of Recommendations

Provider recommendations are summarized below. See Discussion section for additional details.

1. A per agency cap on the total amount funded of $300,000 to $400,000.
2. A more gradual decline in the program budget percentage cap: 66% in FY14, 50% in FY15, and 33% in FY16.
3. Providers that plan to charge a nominal fee if allowed indicated a possible range between six and ten dollars per week.
4. For proposal submission, require only one copy of the items listed under Required Documents and Forms.
5. Solicit ideas from the United Way about structuring and implementing a volunteer review panel.

Discussion

<u>Current Financial Partners</u>

Providers generally agreed that a per agency cap on the total dollar amount funded would be a fair way to ensure geographic and programmatic diversity and reach a wider variety of populations with the City's OST funding. The providers that weighed in on the cap preferred $400,000, the high-end of the recommended range. However, they would understand a $300,000 cap, if that would enable the funding to serve an additional community within the City.

In addition, providers generally agreed on the importance of diversifying their funding streams so that, if CDBG funds continue to decline, they are not dependent on a "dwindling pot of money." However, there was great concern about the rapid step-down in funding that would occur with a program budget

percentage cap of 66% in FY14 and 33% in FY15. This timeline was seen as "very drastic." The concern over the timeline was shared even by programs whose current funding falls under these levels. Providers indicated that cultivating new funding relationships can take several years, and requested consideration of a more gradual decline. Specifically, they recommended a program budget percentage cap of 66% in FY14, 50% in FY15, and 33% in FY16.

Providers had been informed previously that the Budget Committee voted to recommend allowing programs to charge a nominal fee. Most providers agreed that a nominal fee can create some level of program buy-in for the families. However, due to the poverty level of the populations they serve, most providers indicated that they would not plan to charge a nominal fee even if the contract provision changed. Providers that previously charged a nominal fee would likely return to that practice if allowed. Fees may range from six to ten dollars per week, with scholarships available to those who cannot afford the fee.

RFP Feedback

Providers were asked to give feedback and make comments directly on the RFP document, so discussion of specific items in the RFP document was limited. Specific questions and comments from providers are listed below.

Questions:

1. Is the Early Education Administration Credential still a requirement?
2. Will there be page limits or character limits in the narrative?
3. Could items listed under Required Documents and Forms be uploaded or submitted electronically?
4. Will organizations have a place to report on their outcomes?
5. When will staff interviews happen?
6. What is the timeframe for site visits and what will the reviewers be looking for?

Comments:

1. Provide only one copy of the items listed under Required Documents and Forms. These should be reviewed by City staff to confirm eligibility prior to inviting an organization to submit a proposal. Many of these are documents are not relevant to the quality of the proposal, and volunteer reviewers may not be trained to assess them appropriately.
2. The idea of a volunteer review panel was generally well accepted. A recommendation was made to talk to the United Way about their Citizen Review process to get ideas about how this may be structured and implemented.
3. Participants expressed gratitude that the City is soliciting feedback and incorporating it as they move forward with revisions to the process and the RFP document.

Supporting Entrepreneurs and High Growth Enterprises

November 1, 2012

Background

In May 2011, City Council directed staff to begin work on a high growth enterprise strategy for their review and consideration. Since that time, staff has worked with leaders in the community to understand and determine the appropriate role for the City, and to develop a strategy that helps grow the local economy through support of high growth enterprises.

The Kauffman Foundation defines high growth enterprises as those that *"despite their relatively small numbers, nonetheless account for a disproportionate share of job creation*[1]". In a 2010 analysis of high growth firms, Kauffman showed that generally speaking, "*the top-performing one percent of firms generates roughly 40 percent of new job creation. Many of these are fast-growing young firms, between the ages of three and five and comprising less than one percent of all companies, which generate roughly 10 percent of new jobs in any given year*[1]*".*

Historically, the City has focused on all small businesses, not specifically high growth enterprises. Past efforts include:

- Administration of the Small Business Opportunity Program, which helps small businesses, many of whom are minority or woman-owned, do business with the City.
- Creation of a Small Business Strategy, which focuses on coordinating the efforts of community resource partners and managing a one-stop web portal for small business information and events (CharlotteBusinessResources.com).
- Administration of lending programs such as the Equity Loan Fund and the SBE Mobilization Loan Fund, and participation in community loan pools such as the Charlotte Community Capital Fund, and a micro-lending program with Grameen Bank.

Policy Objectives

Economists project a long, slow economic recovery, and Charlotte's unemployment rate continues to be above state and national averages. This requires a diverse approach to economic growth. The intended outcome of this policy is to strengthen Charlotte's position as an ideal place to start and grow a business in order to:

- Attract and keep high growth enterprises and entrepreneurs in Charlotte,
- Attract more venture capital investment into Charlotte-based enterprises, and
- Increase the amount of federal research dollars to our local universities.

[1]*High Growth Firms and the Future of the American Economy, March 2010 – The Kauffman Foundation*

Recent Activities

Over the past two years, there has been significant activity from our partners to help develop an environment conducive to growth, including:

- UNC-Charlotte's Ben Craig Center develops a strategic plan for Ventureprise, a new regional approach to entrepreneurism.
- Packard Place, a community center for high growth entrepreneurs opened.
- The Charlotte Entrepreneur Alliance (CEA) was created by local entrepreneurs to support, coordinate, represent and inspire high-growth enterprises in Charlotte.
- The CEA launched two sector specific incubators for start-up companies: CLT Joules Energy Incubator and a Financial Services Payment Incubator.
- Queen City Forward, a social entrepreneurship model founded in Durham, opened in Charlotte with a full time executive director.
- The Chamber of Commerce included entrepreneurial support on its work program with a goal of gaining private sector support for local start-ups.
- The Charlotte Venture Challenge, the University's business plan competition, received triple the number of applicants and raised over $100,000 in prize money.
- A proposal for the Charlotte Regional Foundation for Entrepreneurship (CRFE) was developed with a goal of developing Charlotte's entrepreneurial ecosystem.
- A proposal for a $25 million statewide venture capital fund was created to raise funds to support high-growth enterprises.

Challenges & Opportunities

Despite the increased activity in support of high growth entrepreneurs, we have observed the following challenges and opportunities.

- Charlotte remains largely unknown for entrepreneurism and high growth enterprises.
- There is a lack of understanding for entrepreneurism as a driver of job growth.
- Charlotte start-ups would benefit from stronger connections to large corporations.
- There is limited start-up capital in North Carolina and the Charlotte region
- UNC-Charlotte is emerging as a major research university, but currently receives only a small fraction of the research dollars that come to the state.
- Charlotte has several organizations supporting entrepreneurial development, which struggle with funding.
- There is an opportunity to identify potential office space locations for high growth enterprises in the business corridors, and if opportunity arises, vacant city facilities.

Recommended Activities for the City

There are several appropriate ways the City of Charlotte can lead or assist our partners' collective efforts to grow the economy through support of high growth enterprises. These are outlined in the following pages.

Near-Term Activities (to be complete by end of FY13) -

1. Develop a communications plan for the Mayor and City Council that promotes Charlotte's history and spirit of entrepreneurship, and seeks opportunities to raise the profile of the City on the topic statewide and nationally. The plan may include activities such as:

    - Recognizing successful entrepreneurs at Council meetings and on GOV Channel.
        - Work with City staff and others to identify and tell the stories of entrepreneurs from Charlotte's recent and distant history.
        - Collaborate with economic development partners, such as the Charlotte Chamber, to send a clear and consistent message that start-ups are important to Charlotte's economy.
    - Supporting the attraction of angel/venture capital-related conferences and events to Charlotte.
        - Partner with Charlotte Entrepreneurs Alliance, economic development partners, Charlotte Regional Visitors Authority, and others to identify appropriate events to invite to Charlotte.
    - Attending and participating as hosts and/or speakers at local start-up events and awards or attending business openings and making writing thank-you notes to job creators.
        - City staff will present to Council opportunities, as they arise, where they can show support through donation of time at upcoming events.
    - Advocating for the development and adoption of tax and regulatory changes identified by the entrepreneur community that foster high growth enterprises.
        - Partner with the Charlotte Entrepreneur Alliance to maintain dialogue with Charlotte's entrepreneurial community regarding challenges and opportunities current tax code and other regulations present.
        - Work with the City's lobbyist to prioritize the tax and regulatory needs of entrepreneurs and potentially align efforts with those of entrepreneurial community partners such as the Charlotte Chamber.
        - State and federal tax and regulatory changes identified by the entrepreneur community may include:
            - Improved immigration policies allowing foreign citizens who have the means to start a business in the U.S.
            - Extended student loan deferment
            - Making R&D tax credits more permanent to remove the need to re-authorizing repeatedly
            - Creating simple, fast, and flexible, processes and paperwork
            - Streamlining navigation of government requirements
            - Making it easier to license and use technology
            - Simplifying and accelerate the process of securing patent rights
            - Streamlining exporting processes
        - Local tax and regulatory changes identified by the entrepreneur community may include:
            - Creating simple, fast, and flexible, processes and paperwork
            - Streamlining navigation of government requirements

2. Capitalize on the expertise, products and services of local entrepreneurs in City operations through a plan that includes activities such as:

   - Encouraging City departments, where feasible, to seek solutions from local start-ups with innovative products and services.
     - Identify training for City staff, especially procurement departments, on entrepreneur principles - such as innovation, creativity, design, sustainability, experimentation, and inclusiveness - in order to increase understanding of these companies' abilities to create innovative solutions.
     - Explore the costs and benefits of an entrepreneur in residence program to spur innovation, responsiveness, and a proactive approach to problem solving in public service.
   - Working with local start-ups to understand the technical products, services and expertise available locally that can be made available to City staff.
     - Leverage the relationship with Charlotte Entrepreneur Alliance (Packard Place, Venturepriseprise, Queen City Forward, etc.) to explore co-sponsoring start-up meet and greets and vendor fairs tailored to public service needs and challenges.
     - Work with partners to create a draft catalog/matrix of typical products or services high growth entrepreneurs provide such as technology, energy, or financing solutions.
   - Making it easier for local start-ups to find Requests for Proposals or other areas of opportunity to do business with the City.
     - Post solicitations/opportunities on CharlotteBusinessResources.com website and also publicize them in the website newsletter.
     - Perform targeted outreach to the start-up community when relevant opportunities to do business with the City arise.
     - Work with City Procurement staff to unbundle, where feasible, larger contracts in typical areas of start-up expertise such as technology.

3. Partner with the Foundation for the Carolinas (FFTC), the private sector and local institutions to establish the Charlotte Regional Foundation for Entrepreneurship (CRFE) to develop local entrepreneurial organizations, events, and programs.

   - On September 24, 2012, the City received a request from Paul Solitario, organizer of the CRFE, to contribute $500,000 in the form of a "community challenge" grant to the FFTC to establish the CRFE. The request was accompanied by a letter of support from the Charlotte Entrepreneur Alliance. The proposal is for the City's contribution to be matched by private or institutional funds.
   - The CRFE's objective is to provide grant funding to qualified non-profit organizations and initiatives that support entrepreneurs and enhance the entrepreneurial ecosystem in the Charlotte Region.
   - CRFE grants will be used to address community issues, such as business incubation and acceleration, startup and business plan competitions, research and technology commercialization, and venture capital/angel network formation.
   - CRFE grants may also be used to fund research that informs and educates the public about the benefits of high growth enterprises, such as economic impact studies and business surveys, or to

sponsor panels and conferences for business leaders, economic experts, public officials and other constituencies concerned with economic development.

- CRFE Grants will not be used as equity or seed capital investments.
- CRFE grants will be distributed by the FFTC, based upon the approval of a CRFE Advisory Council, which will include up to eleven (11) members, including:
    - Two representatives of the City of Charlotte, with one member representing the City Council (appointed by the Mayor), and one member representing Neighborhood & Business Services (appointed by the City Manager).
    - Four representatives from major donors.
    - Four representatives of the entrepreneurial community.
    - One economic developer from the Region.
- Organizations represented on the CRFE Advisory Council are not eligible for grant funding.
- A Technical Review Panel, consisting of local entrepreneurs and representatives of entrepreneurial support agencies, will review grant applications and provide recommendations to the CRFE Advisory Council.
- Grant applications will be evaluated on the extent to which they contribute to the following outcome goals of the CRFE:
    - Increased number of entrepreneurs and startups in the Charlotte Region;
    - Improved pathways to capital and an increased investment in startups;
    - Increased recognition of the Charlotte Region as having a thriving and dynamic entrepreneurial ecosystem and culture;
    - Private corporations engaged with and supportive of the Region's startups.
- If Council approves the funding request, staff recommends that the City's grant be paid in minimum increments of $100,000 (up to a maximum of $500,000), upon notice from FFTC that matching funds have been secured.
- In addition, FFTC has agreed to fund 50% of the cost for a community strategy that prioritizes community needs and assists with private fundraising efforts. Staff proposes using a portion of the City's challenge grant to fund the other 50%, up to a maximum of $20,000.
- The recommended source of funds is the Business Corridor Fund, which has a current balance of $16.6 million.

Longer-term activities (to be further developed and considered within 1 – 2 years):

4. Partner with area colleges and universities, with a particular focus on the Charlotte Research Institute at UNC-Charlotte, to **accelerate Charlotte as a center of major research and innovation**.

5. As the need arises, **help identify potential facilities** that can support high growth enterprises, including sites that align with other Council policies such as the Business Corridor Strategy.

Charlotte Regional Foundation for Entrepreneurship

October 30, 2012

Charlotte City Council
Attn: Brad Richardson, Economic Development Manager
Charlotte-Mecklenburg Government Center
600 E. Trade Street, Suite 300
Charlotte, NC 28202

Re: Funding Request to the Charlotte City Council

Dear Mayor & City Councilmembers,

Economic prosperity is directly linked to entrepreneurism. According to the Bureau of the Census Data, firms with fewer than 20 employees created nearly 72.1% of net new jobs, while the remaining net new jobs are split between larger firms with 20-499 employees (16.0%) and large firms with more than 500 employees (12.0%)[1]. In addition, ADP[2] states that 82.9% of U.S. employment is in businesses with fewer than 500 employees. To ensure Charlotte capitalizes on the economic opportunities of high growth, high-impact entrepreneurs, the region needs an organized body such as the Charlotte Regional Foundation for Entrepreneurship (CRFE) to facilitate and coordinate efforts to advance entrepreneurship in the Charlotte Region.

The CRFE's mission is to create a dynamic and thriving entrepreneurial ecosystem in Charlotte serving as an engine for innovation, economic job growth and development. The CRFE is unique in our region, there are no other organizations in Charlotte dedicated to providing community funding to support the growth of the entrepreneurial ecosystem.

Although unique in our region, the CRFE is based upon proven models in other cities such as Jumpstart (http://www.jumpstartinc.org/) serving northeast Ohio and the New York City Partnership Foundation (http://www.nycif.org/foundation.html). Both of these organizations, since their inceptions, have been significant in improving their regions entrepreneurship ecosystem increasing job growth, investment capital for startups, and building a stronger, connected entrepreneurial culture. Since 2005, Jumpstart catalyzed the creation and retention of 1544 jobs, the generation of $512 million dollars in risk capital and in 2011 generated $220 million dollars in economic impact. The CRFE will drive similar economic growth in the Charlotte Region.

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[1] "An Analysis of Small Business and Jobs" by Brian Head, Office of Advocacy, SBA, March 2010.

[2] *Automatic Data Processing, Inc. (NASDAQ: ADP), with about $10 billion in revenues and approximately 570,000 clients, is one of the world's largest providers of business outsourcing solutions. ADP offers a wide range of human resource, payroll, tax and benefits administration solutions and publishes regular National Employment Reports.*

PHONE EMAIL
Paul Solitario, Cerium Capital (704) 953-0451 paul@ceriumcapital.com

The CRFE requests a $500,000 "community challenge" grant from the City of Charlotte to provide the seed money to start the foundation. All CRFE contributions will be held and managed by the Foundation for the Carolinas (FFTC), and funds will not be used as equity or seed capital investments. All funds will be spent executing the following objectives:

1. Establish an ongoing entity that will nurture the development of a thriving entrepreneurial ecosystem in the Charlotte Region.
2. Provide grant funding to qualified non-profit organizations and initiatives dedicated to supporting entrepreneurs and the entrepreneurship infrastructure in the Charlotte Region.
3. Provide research to help the Region formulate policy by sponsoring economic impact studies, conducting business surveys, and convening task force panels and conferences for business leaders, economic experts, public officials and other constituencies concerned with economic development.
4. Act as a champion of entrepreneurship by raising awareness of the entrepreneurial community, and assist with the coordination and facilitation of activities and initiatives supporting entrepreneurship in the Charlotte Region.

The CRFE is dedicated to ensuring the following measurable outcomes:

- Increased number of **entrepreneurs** and **startups** in the Region
- Increased **job growth** in the Charlotte Region
- Improved pathways to **capital** and an increased investment in startups
- Develop the Charlotte Region's entrepreneurial **ecosystem and culture** to be recognized nationally and internationally as thriving and dynamic
- Increased economic development and positive social impact
- Developed strategic **clusters**
- Increased number of corporations engaged and supportive of the Region's startups

CRFE grants will be distributed by the FFTC, based upon the approval of a CRFE Advisory Council, which will include up to eleven (11) members, including:

- Two representatives from the City of Charlotte: one recommended by the Mayor (elected); one recommended by the City Manager (staff)
- Four representatives from major donors.
- Four representatives of the entrepreneurial community.
- One member representing a regional economic development agency

The Advisory Council, in collaboration with the FFTC, will meet monthly to review funding application and select grants recipients, and execute the strategic objectives of the fund. The Advisory Council will also be responsible for governance and fundraising. The CRFE will also establish a Technical Review Panel, consisting of local entrepreneurs and representatives of entrepreneurial support agencies, to assist with the review of grant applications and to provide recommendations to the CRFE Advisory Council.

In addition, to the funding provided by the City, the CRFE is raising funds from private corporations and donors. The initial goal is to raise $1M of public and private monies with the long-term goal of raising $5 million to provide the foundation the startup capital for full operation.

Now is the time to act to diversify our economy. The City's support and funding of the CRFE solidifies a public private partnership and vision to create a nationally recognized entrepreneurial ecosystem serving as an engine for innovation, job growth and economic prosperity in our Region.

Sincerely,

J. Paul Solitario
CRFE Advisory Committee

CHARLOTTE.
NEIGHBORHOOD & BUSINESS SERVICES

Economic Development Committee
November 1, 2012

CHARMECK.ORG

CITY OF CHARLOTTE

Book Cadillac Hotel 1924

CHARMECK.ORG

CHARLOTTE.

CITY OF CHARLOTTE

Book Cadillac Hotel 2004

CHARMECK.ORG

CITY OF CHARLOTTE

Book Cadillac Hotel 2009

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CHARLOTTE.

CMP Carolina Theatre LLC

Proposal for 6th and Tryon / Carolina Theatre

August 16, 2012

Our Plan

- Secure ownership of the property based on contributions and efforts to date
- Maintain and pay taxes on the Theatre parcel while we finalize the plan for the development of the front portion of the Theatre parcel given the economy.
- Support the City and Foundation For the Carolinas (FFTC) in their effort to create a temporary pocket park
- Build Encore or an equivalently high profile project to maximize (i) the value of the Theatre property, (ii) the tax revenues to the City, and (iii) the funds available to renovate the Theatre
- Restore the Theatre for public and private use as previously agreed with City
- Provide access to the Theatre for FFTC and other civic organizations

The project was delayed for unavoidable reasons

- The economic environment made it impossible for CMP, or any other group, to move forward on this type of project.
- Financing has not been readily available, but conditions are improving.
- The development structure negotiated with the City was difficult, but workable, in a stronger economy. The current economy has made such a structure unworkable.
  - The time limits & conditions of the previous structure now preclude any ability to secure financing or development partner
  - In the current economy, any group needs to have clear ownership of the property to move forward

The project was delayed for unavoidable reasons

- Any new group will still have to wait for market conditions to improve. CMP's due diligence to date, however, provides the ability to respond to such an improvement more quickly than any other group.
- The development of the front parcel is complicated by the Theatre preservation required by the city, but CMP has always agreed to assume this burden.
  - Limited footprint for new building.
  - Limited ability to build over Carolina Theatre.
  - Creates need to go high and high-end.
- The renovation of the Theatre remains beneficial and important for Charlotte
  - Preserves a piece of Charlotte history
  - Ties to several of the objectives in the Center City 2020 plan
  - Supports the efforts and goals of several groups

CMP has kept this project alive and is best equipped (and the most motivated) to complete the Project

- CMP has worked on this project for over 5 years
  - It took nearly 2 years of cooperation and negotiation to create an agreement and partnership with the City and County.
  - An additional 3 years of work, prior to the economic downturn, have gone into preparing the property for development
- CMP has spent approximately $2 million on development / architectural costs.
  - Over $275K has been spent on legal fees.
  - The substantial good faith deposit of $250K has been paid to the City.
  - Complete architectural plans for a 20 story tower have been developed.
    - Architectural / structural plans could be repurposed for any type of building use.
  - Environmental, soil, structural, and legal studies have been completed.

CMP has kept this project alive and is best equipped (and the most motivated) to complete the Project

- CMP has never stopped working on the Project, despite the difficult economic climate.
  - Secured commitment for 1st / 2nd floor tenant (restaurant on ground floor; offices on 2nd floor)
  - Recently completed an updated feasibility study that verifies viability of project
- We have explored alternatives to Encore as currently configured in the event the Project needs to be modified due to market conditions:
  - Encore: luxury condos (car elevator)
  - Mixed use office building (restaurant / retail on ground floor)
  - Boutique hotel

CMP Did Not Expect The Current Dynamic, But We Are Flexible

- In November 2011, CMP Carolina Theatre LLC met with the City Manager's Office to come up with the best path forward for the Carolina Theatre project.
- CMP and the City mutually agreed that, given the changed economic circumstances, that it would be best for the City and CMP to modify the structure of our agreements so that the Project could move forward as soon as possible.
- In exchange for letting the previous deal expire and forfeiting the $5.5 million in tax abatement and other incentives from the City and County, CMP accepted a new agreement.
- Such agreement provided CMP an exclusive negotiation period and the opportunity to individually present to City Council for final vote.

CMP Did Not Expect The Current Dynamic, But We Are Flexible

- The City entered into discussions with FFTC during the exclusive period with CMP.
- Despite CMP providing a specific offer, the agreement between CMP and the City Manager's office was not followed.
- As CMP indicated in earlier discussions with FFTC during development of the original Project structure, we are willing to work with FFTC to find the path forward that is beneficial to CMP, FFTC, and the Theatre.

Encore continues to be the best available alternative

- Maximizes the property value and, therefore, the tax revenues to the City and County
- Maximizes funds available for renovation of the Carolina Theatre
- Provides an appropriate showcase for Uptown Charlotte at 6th and Tryon
- Utilizes the existing, extensive due diligence that CMP has completed to date.

CMP is Uniquely Positioned for This Project

- The Carolina Theatre site is very complicated and requires the knowledge and expertise regarding the Theatre gained over 5+ years
- We have a vested interest in the success of the Project.
  - Over $2 million invested to date
  - Worked on this project for 5+ years
- We have completed several difficult projects Uptown that others could not complete
- The Trust at 4th and Tryon provides a model for Encore.
  - Recent activity supports the Encore project as currently configured.

CMP is Uniquely Positioned for This Project

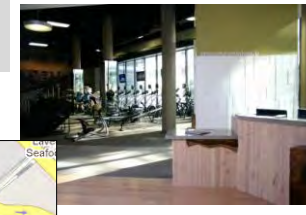
- FFTC's interest in the Project provides an additional avenue for the future use and viability of the Theatre.
  - We can, and are interested in, accommodating FFTC's needs / desires for access to the Theatre as part of our development plan.
- We have always had a civic component to our approach. We are not simply creating the most profitable project.
- CMP has spent great efforts to enter into agreements with the City and other parties to ensure that civic uses would have a real and valuable place in the future of the Theatre.

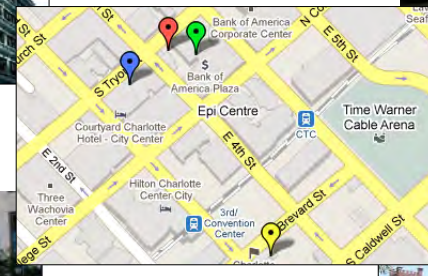
We have completed and maintained difficult projects downtown during the past few years

Trust Condos / Chima

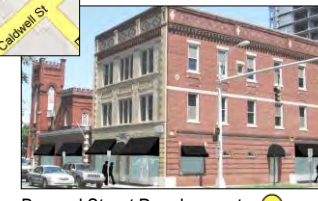
- Properties located in center of downtown
- All premiere, highly trafficked addresses
- Located within 5 blocks of each other

Charlotte Athletic Club





Emerson Joseph



Brevard Street Development

CMP Proposal to City

- As payment for the outright sale of the Property, CMP proposes that the $250,000 good faith deposit be delivered to the City. CMP will also pay all closing costs.
- As further consideration for this purchase, CMP agreed to relieve the City and County of their original $5.5 million participation in the restoration efforts.
- CMP will honor all of its previous agreements with the City regarding the restoration and use of the Theatre despite the absence of funding from the City and County.
- Additional Conditions as part of the sale:
  - The final design would be subject to a judgment of appropriateness.
  - No demolition allowed without the City having the option of buying the Theatre back for $1.
  - CMP responsible for all ownership expenses (e.g., property taxes, insurance and maintenance).
  - Development is anticipated to commence within 5 years and complete within 10 years.

CMP Proposal to City (cont.)

- As originally discussed between CMP and City staff in November of 2011, given CMP's substantial investment to this project to date, CMP needs a commitment from City to continue its efforts to complete the Project.
- CMP willing to work toward partnership with FFTC.
- If CMP partners with FFTC, CMP, as the partner with development experience and greater knowledge of the Property, would be best suited to own the Property.
- CMP has demonstrated its comfort with, and commitment, to this type of public / private / non-profit partnership.
- CMP willing to convert property back to City in ten years if unsuccessful in its efforts to develop project.

**Thank you for the opportunity
to present proposal to the
City Economic Development Committee**

Foundation For The Carolinas
Carolina Theater Proposal

August 16, 2012

What the Foundation would like to do

- Reclaim important corner (Tryon & 6th) for uptown landscape
- Activate a space that has been an eyesore for 33 years
- Preserve the Carolina Theater for the benefit of the public
- Capitalize on air space above theater to maximize utilization
- Place a portion of the property back on the tax roll
- Animate this block by creating a Civic Campus
  - Discovery Place
  - Library/Spirit Square Property
  - Historic Dunhill Hotel
    - FFTC Gallery & Civic Space
    - Carolina Theater

As the property's closest neighbor FFTC has a vested interest in its successful development

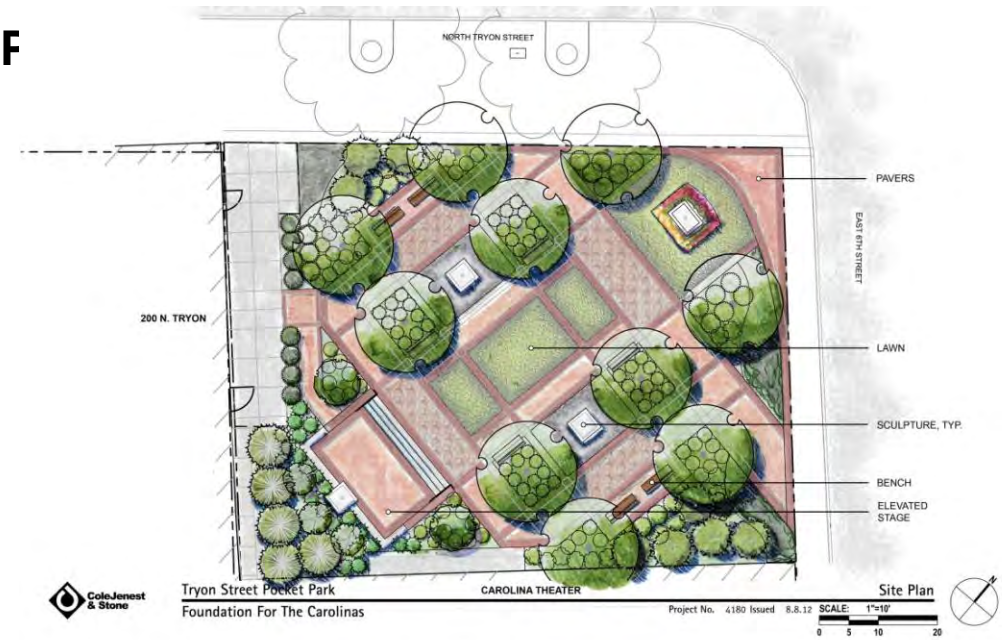
Carolina Theater Property **FFTC Headquarters**

Foundation Proposal – Three Phase Plan

- Phase One – Pocket Park
- Phase Two – Animate Park & Ensure its Upkeep
- Phase Three – Renovate Carolina Theater & Develop Boutique Office Building

Phase One – Pocket Park

- Space immediately returned for public use
- FFTC partner with City on development of park
- Park completed by August 31, 2012
- FFTC invested $100,000 in joint project
  - Pavers, benches, stage area, electrical, lighting, sculptures
- Donated FFTC staff time for joint project management
- Park is a testament to the power of public/private partnerships in Charlotte



Phase Two – Animate Park

- Build on momentum of Phase One park
- Partner with Charlotte Center City Partner
- Look for opportunities to activate the space
  - Examples: pop-up retail, street vendors, mini-art performances/exhibitions
- Likely timeframe 3 to 5 years
- Give the market time to recover
- FFTC utilizes time to develop plan, engage partners & fundraise

Phase Three -- Renovation & Development

Carolina Theater Component

- Straight forward renovation, to preserve character & save $$
- Purely “historic” restoration not possible
- Run theater as a nonprofit
- Enliven theater as civic space during the week (Mon – Thurs)
  - Lectures, town hall meetings, civic dialogues, small performance etc.
  - Activated the way FFTC activated its current space
  - Not in competition with existing nonprofit facilities
- Theater an extension of FFTC’s Civic Leadership Space
- Potential private sector partnership (Fri – Sun)
  - Art/independent film movie house

Phase Three --Renovation & Development

Larger Project Development

- Boutique office facility
  - Perhaps 100,000 square feet or 10 floors
  - Utilizing space in front of/above theater to develop office facility
  - Does not require parking on-site
  - Combination of non-profit and for-profit tenants
  - Privately developed
- Creates synergies with surrounding area
  - Non-profit tenants leverage existing FFTC conference rooms
  - Builds a hub of activity, a civic block

FFTC Uniquely Positioned for this Project

- Strength of FFTC Community Position
  - Part of community fabric since 1958
  - $900 million in assets
  - Reputation within community
  - Capability to convene appropriate stakeholders
  - Expertise in navigating complicated projects
- Vested interest in Carolina Theater site's success
  - The property is contiguous to FFTC's current headquarters
  - Investment in pocket park
  - FFTC fire easements exiting onto the property
  - FFTC utility lines run through Carolina property

FFTC Uniquely Positioned for this Project

- Civic Campus Concept
  - FFTC headquarter facility launching pad for concept
  - Leverage current activity in FFTC building-450 meetings per month
  - Natural partners on the block – Library, Discovery Place, Spirit Square
  - FFTC right player to convene community partners
- FFTC can bring a new financing scenario
  - Traditional financing deals have failed for the property
  - Height of the real estate market project did not get done
  - FFTC has no profit motive
  - FFTC can bring philanthropic dollars to the table

FFTC Uniquely Positioned for this Project

- FFTC track record of success with large scale civic projects
  - Project Lift $44 million raised & 8+ partners to the table
  - Levine Campus $ 83 million raised & 7 partners to the table
  - Current Facility $12 million raised & 8 partners to the table
- Boutique office plan has potential to move project quickly
  - If tenants line up, project can move forward quickly
  - Potential to bring this piece of the project back on tax roll

FFTC Proposal to City

- City sells Carolina Theater property to FFTC for $1
- Rather than paying for site, FFTC invest $$ in property
  - Phase One: Park
  - Phase Two: Activating the space with partners
  - Phase Three: Carolina Theater renovation
- FFTC agrees to return theater to civic use
- FFTC develops larger office project for site, this piece of project returned to city tax role
- No plans for city $$ as part of development
- City contribution to the project is the site

FFTC Proposal to City

- To continue w/planning FFTC needs commitment of site from City
- FFTC can't afford to make investment of agency time & money unless it controls site
- FFTC willing to work toward partnership with CMP Carolina Theater, LLC
- FFTC would like to be lead partner with control of property and able to partner with another developer if workable concept can not be forged with CMP Carolina Theater, LLC
- FFTC willing to convert property back to City in ten years if unsuccessful in its efforts to develop project

Thank you for the opportunity

to present proposal to the

City Economic Development Committee

ARK Ventures, Inc.

October 24, 2012

Re: Carolina Theater Purchase
C/O Peter Q. Zeiler
Development and Investment Manager
Neighborhood & Business Services
City of Charlotte

Dear Peter:

In accordance with our discussions and ARK Ventures, Inc. continued interest in purchasing and preserving the Carolina Theater on Tryon Street in Uptown Charlotte, we have prepared the following terms and conditions under which ARK Ventures, Inc. would be willing to proceed with formal sale negotiations. They are:

Property:	Carolina Theater and associated property 6th and Tryon Street, Charlotte, NC
Purchaser:	ARK Ventures, Inc.
Seller:	City of Charlotte
Sale Price:	$500,000 (no financing contingency)
Deposit:	$50,000 - due upon signing of sales agreement
Inspection Period:	30 days
Closing:	60 days
Real Estate Taxes:	NOT tax exempt
Use of Carolina Theater:	To be retrofit and re-used in a similar manner to the retrofits that have taken place at the NC Music Factory.
Use of Property in Front of Theater:	Highest and best use that the owner of property can develop.
City's Required Work:	None
City's Required TIFF:	None

19401 Old Jetton Rd. – Suite 101, Cornelius, North Carolina 28031 Phone 704.987.0612 Fax 704.987.0767

The terms and conditions expressed in this letter on behalf of ARK Ventures, Inc. reflect only discussion to date regarding the business terms of a potential agreement between the parties and is an expression of the parties to continue negotiations toward an agreement, but do not create any binding obligations on the part of either Seller or Buyer. The obligations of each party will only be created in a mutually acceptable fully executed purchase agreement.

Peter, we look forward to continued discussions regarding the sale of the Carolina Theater and remain excited about the future reopening of this historic venue.

We look forward to hearing from you.

Kindest regards,

Noah Lazes
President

Agreed and accepted:

By:_____
Its:_____
Date:_____

cc: Richard Lazes, ARK Group